

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**

Primary Government Financial Statement  
With Independent Auditors' Report

For the Year Ended June 30, 2014

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
Primary Government Financial Statement With Independent Auditors' Report  
For the Year Ended June 30, 2014

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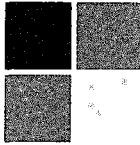
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Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
**Unified School District No. 466 Scott City, Kansas**  
Scott City, Kansas

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 466 Scott City, Kansas**, as of and for the year ended June 30, 2014 and the related notes to the financial statement.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles**

As described in Note 1, the financial statement is prepared by **Unified School District No. 466 Scott City, Kansas** to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 466 Scott City, Kansas** as of June 30, 2014, or changes in financial position and cash flows thereof for the year then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Unified School District No. 466 Scott City, Kansas** as of June 30, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* as described in Note 1.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, summary of regulatory basis receipts and disbursements – agency funds, and schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we rendered an unmodified opinion dated December 15, 2014. The 2013 basic financial statement and our

accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the 2013 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note 1.

#### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statement. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of **Unified School District No. 466 Scott City, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Unified School District No. 466 Scott City, Kansas'** internal control over financial reporting and compliance.

*Adams, Brown, Beran & Ball Chtd.*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

December 15, 2014

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
<b>General Funds</b>							
General Fund	\$ 6,402	-	6,045,901	6,052,303	-	110,711	110,711
Supplemental General Fund	265,866	-	2,056,586	2,048,555	273,897	100,323	374,220
<b>Special Purpose Funds</b>							
Capital Outlay Fund	333,482	-	593,963	593,338	334,107	74,005	408,112
Bilingual Education Fund	-	-	152,632	152,632	-	2,553	2,553
Driver Training Fund	15,306	-	11,652	9,553	17,405	1,297	18,702
Food Service Fund	56,276	-	519,443	575,719	-	2,375	2,375
Professional Development Fund	24,469	-	4,800	26,939	2,330	178	2,508
Parent Education Fund	-	-	13,500	13,500	-	-	-
Special Education Fund	32,096	-	701,336	730,839	2,593	621	3,214
Vocational Education Fund	-	-	223,916	223,916	-	2,807	2,807
KPERs Retirement Special Contribution Fund	-	-	555,173	555,173	-	-	-
Contingency Reserve Fund	477,527	-	-	293,669	183,858	18,029	201,887
Textbook Rental Fund	73,954	-	44,614	42,329	76,239	-	76,239
At Risk (4 Year Old) Fund	-	-	82,915	82,915	-	851	851
At Risk (K-12) Fund	-	-	632,666	632,666	-	4,256	4,256
Virtual Education Fund	-	-	56,419	56,419	-	-	-
Title I Low Income Fund	-	-	131,591	131,591	-	1,840	1,840
Title III - English Language Fund	-	-	17,014	17,014	-	-	-
Title II - Improving Teacher Quality Fund	-	-	30,570	30,570	-	2,187	2,187
21st Century Community Learning Centers Fund	-	-	24,225	20,127	4,098	-	4,098
After School Adventures Fund	2,034	-	474	780	1,728	-	1,728
Migrant Fund	-	-	71,280	71,280	-	471	471
Gifts and Grants Fund	6,545	-	18,802	25,347	-	10,448	10,448
Recreation Commission Fund	16,941	-	193,658	196,000	14,599	-	14,599
Recreation Commission Employee Benefits Fund	2,232	-	45,844	24,600	23,476	-	23,476
District Activity Funds	118,860	-	255,080	257,623	116,317	-	116,317
<b>Bond and Interest Fund</b>							
Bond and Interest Fund	2,251,229	-	1,366,460	1,266,276	2,351,413	-	2,351,413
<b>Total Primary Government (Excluding Agency Funds)</b>	<b>\$ 3,683,219</b>	<b>-</b>	<b>13,850,514</b>	<b>14,131,673</b>	<b>3,402,060</b>	<b>332,952</b>	<b>3,735,012</b>
<b>Composition of Cash</b>							
Checking Accounts						\$	1,944,383
Savings Accounts							1,886,669
Petty Cash							175
Total Cash							3,831,227
Agency Funds per Schedule 3							(96,215)
<b>Total Primary Government (Excluding Agency Funds)</b>							<b>\$ 3,735,012</b>

The notes to the financial statement are an integral part of this statement.

## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

Notes to Financial Statement

June 30, 2014

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Unified School District No. 466 Scott City, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

#### **Use of Estimates**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

#### **Financial Reporting Entity**

The District is a municipal corporation governed by an elected seven-member board. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

#### **Scott Recreation Commission**

Scott Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. Audited financial statements can be obtained by contacting the recreation commission's office.

The District is the primary government as defined in GASB #61. The board of education is elected by the public. The board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

#### **Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2014.

#### **Regulatory Basis Fund Types**

**General Fund** – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

**Special Purpose Fund** – used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

**Bond and Interest Fund** – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

**Agency Fund** – fund used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).



## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

Notes to Financial Statement

June 30, 2014

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### **Basis of Accounting**

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

### **Departure From Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

### **Property Tax Calendar**

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

### **Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the agency funds of the District for special purposes.

### **Reimbursements**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

Notes to Financial Statement

June 30, 2014

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### NOTE 2 – BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Low Income Fund, Title III – Technology Literacy Challenge Fund, Title III – English Language, Title II – Improving Teacher Quality Fund, 21<sup>st</sup> Century Community Learning Centers Fund, After School Adventures Fund, Migrant Fund, and District Activity Funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

### NOTE 3 – DEPOSITS AND INVESTMENTS

Unified School District No. 466 Scott City, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**

Notes to Financial Statement

June 30, 2014

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk**

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2014.

At June 30, 2014, the District's carrying amount of deposits was \$3,831,227 and the bank balance was \$4,334,366. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$3,834,366 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2014.

**NOTE 4 – IN-SUBSTANCE RECEIPT IN TRANSIT**

**Unified School District No. 466 Scott City, Kansas** received \$129,662 subsequent to June 30, 2014 and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2014.

**NOTE 5 – INTERFUND TRANSFERS**

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 466 Scott City, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2014 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 495,093
General Fund	Vocational Education Fund	K.S.A. 72-6428	127,526

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**

## Notes to Financial Statement

June 30, 2014

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General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	431,385
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6428	851
General Fund	Food Service Fund	K.S.A. 72-6428	47,306
General Fund	Professional Development Fund	K.S.A. 72-6428	4,800
General Fund	Virtual Education Fund	K.S.A. 72-6428	56,419
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	201,281
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6433	13,500
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-6433	152,632
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	95,492
Supplemental General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6433	82,064
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	202,403

**NOTE 6 – LITIGATION**

**Unified School District No. 466 Scott City, Kansas** is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

**NOTE 7 – RISK MANAGEMENT**

**Unified School District No. 466 Scott City, Kansas** carries commercial insurance for risks of loss, including property, general liability, inland marine, liability, crime and fidelity, automobile, worker's compensation, and linebacker. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 8 – GRANTS AND SHARED REVENUES**

**Unified School District No. 466 Scott City, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

**NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Unified School District No. 466 Scott City, Kansas** had the following high school activity funds that had negative cash balances at June 30, 2014. This is a violation of K.S.A. 10-1113.

- Media Productions and Speech/Debate

**NOTE 10 – OPERATING LEASES**

On March 25, 2014, the District entered into a lease agreement with ESSDACK for a Ricoh copier to March 25, 2019. The District agreed to pay \$94 monthly for the term of the agreement. Total lease payments made for the year ended June 30, 2014 were \$382. Future annual lease payments as of June 30 are as follows:

Year	Amount
2015	\$ 1,128
2016	1,128

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**

Notes to Financial Statement

June 30, 2014

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2017	1,128
2018	1,128
2019	846

**NOTE 11 – DEFERRED COMPENSATION PLAN**

**Unified School District No. 466 Scott City, Kansas** sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN**

**Plan Description**

**Unified School District No. 466 Scott City, Kansas** participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, etc. seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

**Funding Policy**

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law established the KPERS member-employee contribution rate at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members through December 31, 2013. As of January 1, 2014, the member-employee contribution rate increased to 5% of covered salary for Tier 1 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

**NOTE 13 – OTHER POST EMPLOYMENT BENEFITS**

Certified employees who retire with a minimum of 20 years of service in Scott County Schools may receive a benefit in an amount not to exceed a combined total of \$2,000. These benefits are computed on a combined basis of years of service at the rate of \$40 per year and accumulated unused sick leave at the rate of \$35 per day.

District employees will not be eligible for benefits as described in the preceding paragraph unless they have reached a total of 85 years combined age and teaching experience and notify the Board of their plans to retire by March 1 preceding their retirement year. During the year ended June 30, 2014, five employees qualified for these retirement benefits and the District paid \$10,000.

In addition, certified employees who retire with a minimum of 20 years of service in Scott County Schools, and reach age 62 on or before August 1<sup>st</sup> of the following school year, will be eligible to receive district sponsored health insurance premiums up to \$6,000 per year to age 65. For the year ended June 30, 2014, \$10,168 of retiree health insurance premiums were paid.

## **UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**

Notes to Financial Statement

June 30, 2014

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As provided by K.S.A. 12-5040, **Unified School District No. 466 Scott City, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

### **NOTE 14 – COMPENSATED ABSENCES**

#### **Vacation**

The District's policy with regard to vacation does not provide for accumulation or carryover of benefits from one year to the next.

#### **Sick Leave**

All certified employees are allowed 14 days of sick leave per year accumulative to 65 days. Classified, 12 month staff are allowed 12 days of sick leave per year accumulative to 65 days. No payment is made for unused accumulated sick leave upon resignation or termination unless the employee retires with a minimum of 20 years of service and they have reached a total of 85 years combined age and teaching experience and notify the Board of their plans to retire by March 1 preceding their retirement year. The potential liability for sick leave at June 30, 2014 was \$13,620. This is not reflected in the financial statement.

#### **Personal Leave**

Personal leave is an additional 10 days for certified and 2 days for classified that must be used during the year or paid out at the end of the year for those days in excess of the maximum accumulated sick leave.

### **NOTE 15 – LONG-TERM DEBT**

**Unified School District No. 466 Scott City, Kansas** has the following types of long-term debt.

#### **Refunded Bonds**

On February 23, 2006, the District issued \$9,765,000 in general obligation refunding bonds. A portion of the proceeds from the sale of the bonds were used to establish an escrow account that will provide for payment of the callable portion of the District's general obligation refunding and school building bonds, Series 2002 and to redeem, on September 1, 2015, and thereafter (the "Refunded Bonds"). The refunding plan was undertaken in order to achieve interest cost savings and to provide a more orderly plan of financing for the District.

On September 1, 2011, the District issued \$1,650,000 in general obligation refunding bonds. On September 1, 2011, the proceeds were added to the irrevocable escrow account to redeem General Obligation Refunding Bonds, Series 2002 maturing from 2013 through 2015.

According to the terms of this refunding plan, the refunded bonds were called on September 1, 2012, and redeemed at such time, all in accordance with the resolution authorizing their issuance. The refunded bonds represent the entire callable portion of the District's General Obligation Bonds, Series 2002. All refunded bonds were called at a price equal to 100% of the par value thereof, without premium.

The defeasance clause in the series 2002 issues allows the District to establish an irrevocable escrow account to hold any early bond payments. The District does not have control over this escrow account

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**

Notes to Financial Statement

June 30, 2014

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and the bond holder cannot hold the District liable for the series 2002 outstanding debt to be refunded with these bonds, only the escrow account. The District's financial statements do not include the escrow balance nor does it include the series 2002 debt to be paid with these funds.

Upon the payment in full of the interest on the bonds to and including September 1, 2022 and the principal of the refunded bonds, all remaining money and escrowed securities in the escrow fund together with any interest thereon, shall be transferred to the District to be applied in accordance with the law.

**Refunded Bonds**

Series	Amount Outstanding Prior to Refunding	Amount Refunded	Maturity Dates to be Escrowed	Call Date	Call Price
2002	\$2,295,000	\$1,580,000	2013 - 2015	09/01/2012	100

**Lease Obligations**

A capital lease obligation in the amount of \$956,081, entered into on April 11, 2005, consists of an obligation for the purchase of energy management systems. The effective interest rate is 4.67 percent per annum. This lease contains a fiscal funding clause.

A capital lease obligation in the amount of \$300,000, entered into on March 28, 2011, consists of an obligation for the construction of the fieldhouse. This lease contains a fiscal funding clause.

A capital lease obligation in the amount of \$46,728, entered into on June 12, 2014, consists of an obligation for the purchase of personal computers, servers, and network equipment. The effective interest rate is 3.082 percent per annum. This lease contains a fiscal funding clause.

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
Notes to Financial Statement  
June 30, 2014

Changes in long-term liabilities for the District for the year ended June 30, 2014, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>General Refunding Bonds</b>									
Series 2006	3.5%-4.0%	2/23/2006	9,765,000	9/1/2022	9,145,000	-	100,000	9,045,000	346,825
Series 2011	2.000%	9/1/2011	1,650,000	9/1/2014	1,620,000	-	795,000	825,000	24,450
<b>Capital Leases</b>									
Energy Management Systems	4.670%	4/11/2005	956,081	9/16/2020	559,977	-	63,948	496,029	25,413
Fieldhouse	0.000%	3/28/2011	300,000	3/28/2021	240,000	-	30,000	210,000	-
Computers	3.082%	6/12/2014	46,728	6/12/2017	-	46,728	16,058	30,670	-
<b>Total Contractual Indebtedness</b>					<b>\$ 11,564,977</b>	<b>46,728</b>	<b>1,005,006</b>	<b>10,606,699</b>	<b>396,688</b>

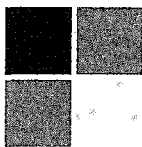
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	YEAR						
	2015	2016	2017	2018	2019	2020-2023	Total
<b>Principal</b>							
General Refunding Bonds	\$ 935,000	920,000	970,000	1,025,000	1,080,000	4,940,000	9,870,000
Capital Leases	112,068	115,704	103,446	106,916	110,550	188,015	736,699
<b>Total Principal</b>	<b>1,047,068</b>	<b>1,035,704</b>	<b>1,073,446</b>	<b>1,131,916</b>	<b>1,190,550</b>	<b>5,128,015</b>	<b>10,606,699</b>
<b>Interest</b>							
General Refunding Bonds	351,241	324,396	289,891	252,983	213,770	404,360	1,836,641
Capital Leases	23,351	19,715	15,914	12,444	8,810	6,025	86,259
<b>Total Interest</b>	<b>374,592</b>	<b>344,111</b>	<b>305,805</b>	<b>265,427</b>	<b>222,580</b>	<b>410,385</b>	<b>1,922,900</b>
<b>Total Principal and Interest</b>	<b>\$ 1,421,660</b>	<b>1,379,815</b>	<b>1,379,251</b>	<b>1,397,343</b>	<b>1,413,130</b>	<b>5,538,400</b>	<b>12,529,599</b>



**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**

Regulatory-Required Supplementary Information



Certified  
Public  
Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education  
**Unified School District No. 466 Scott City, Kansas**  
Scott City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 466 Scott City, Kansas**, as of and for the year ended June 30, 2014, and the related notes to the financial statement, and have issued our report thereon dated December 15, 2014. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered **Unified School District No. 466 Scott City, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 466 Scott City, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 466 Scott City, Kansas'** internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs (2014-001) to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs (2014-002) to be a significant deficiency.

### Compliance and Other Matters

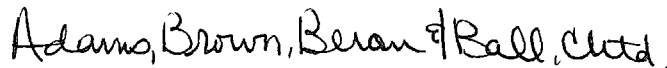
As part of obtaining reasonable assurance about whether **Unified School District No. 466 Scott City, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Unified School District No. 466 Scott City, Kansas' Response to Findings

**Unified School District No. 466 Scott City, Kansas'** response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Unified School District No. 466 Scott City, Kansas'** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### Purpose of This Report

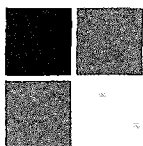
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

December 15, 2014



Certified  
Public  
Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education  
**Unified School District No. 466 Scott City, Kansas**  
Scott City, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited **Unified School District No. 466 Scott City, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 466 Scott City, Kansas'** major federal programs for the year ended June 30, 2014. **Unified School District No. 466 Scott City, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of **Unified School District No. 466 Scott City, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit and Accounting Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Unified School District No. 466 Scott City, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Unified School District No. 466 Scott City, Kansas'** compliance.

**Opinion on Each Major Federal Program**

In our opinion, **Unified School District No. 466 Scott City, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### Report on Internal Control Over Compliance

Management of **Unified School District No. 466 Scott City, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Unified School District No. 466 Scott City, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 466 Scott City, Kansas'** internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.*

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Adams, Brown, Beran & Ball, Chtd.*

**ADAMS, BROWN, BERAN & BALL, CHTD.**  
Certified Public Accountants

December 15, 2014

UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2014

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Type Funds</b>						
<b>General Funds</b>						
General Fund	\$ 6,171,888	(232,967)	113,382	6,052,303	6,052,303	-
Supplemental General Fund	2,130,743	(82,188)	-	2,048,555	2,048,555	-
<b>Special Purpose Funds</b>						
Capital Outlay Fund	593,338	-	-	593,338	593,338	-
Bilingual Education Fund	181,287	-	-	181,287	152,632	(28,655)
Driver Training Fund	9,553	-	-	9,553	9,553	-
Food Service Fund	613,553	-	-	613,553	575,719	(37,834)
Professional Development Fund	30,000	-	-	30,000	26,939	(3,061)
Parent Education Fund	13,500	-	-	13,500	13,500	-
Special Education Fund	730,839	-	-	730,839	730,839	-
Vocational Education Fund	223,916	-	-	223,916	223,916	-
KPERS Retirement Special Contribution Fund	595,637	-	-	595,637	555,173	(40,464)
At Risk (4 Year Old) Fund	83,379	-	-	83,379	82,915	(464)
At Risk (K-12) Fund	670,298	-	-	670,298	632,666	(37,632)
Virtual Education Fund	130,000	-	-	130,000	56,419	(73,581)
Gifts and Grants Fund	56,545	-	-	56,545	25,347	(31,198)
Recreation Commission Fund	196,000	-	-	196,000	196,000	-
Recreation Commission Employee Benefits Fund	24,600	-	-	24,600	24,600	-
<b>Bond and Interest Funds</b>						
Bond and Interest Fund	1,266,276	-	-	1,266,276	1,266,276	-

## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

## General Fund

## Schedule of Receipts and Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 1,855,643	1,683,888	1,586,436	97,452
Delinquent Tax	4,304	8,510	6,071	2,439
Intergovernmental Revenues				
Mineral Severance Tax	41,279	84,042	45,000	39,042
Reimbursed Expenses	128,484	98,082	-	98,082
Special Education Aid	478,372	490,438	486,149	4,289
Equalization Aid	3,554,824	3,665,641	4,041,830	(376,189)
State Aid - Technology Education	-	15,000	-	15,000
Miscellaneous Revenue	2,557	-	-	-
State Aid	300	300	-	300
<b>Total Receipts</b>	<b>6,065,763</b>	<b>6,045,901</b>	<b>6,165,486</b>	<b>(119,585)</b>
<b>Expenditures</b>				
Instruction	3,287,114	3,282,233	3,233,592	48,641
Instructional Support Services	56,261	55,217	55,745	(528)
General Administration	349,133	324,708	317,307	7,401
School Administration	158,551	181,109	160,927	20,182
Operations and Maintenance	846,893	633,775	718,251	(84,476)
Student Transportation Services	351,278	362,344	337,780	24,564
Other Supplemental Services	181	-	46,784	(46,784)
Reimbursed Expenses	53,924	49,537	-	49,537
Transfers Out	956,026	1,163,380	1,301,502	(138,122)
Adjustment to Comply With Legal Max	-	-	(232,967)	232,967
Legal General Fund Budget	6,059,361	6,052,303	5,938,921	113,382
(a) Adjustment for Qualifying Budget Credits	-	-	113,382	(113,382)
<b>Total Expenditures</b>	<b>6,059,361</b>	<b>6,052,303</b>	<b>6,052,303</b>	<b>-</b>
<b>Receipts Over (Under) Expenditures</b>	<b>6,402</b>	<b>(6,402)</b>		
<b>Unencumbered Cash - Beginning</b>	<b>-</b>	<b>6,402</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 6,402</b>	<b>-</b>		
<b>(a) Adjustment for Qualifying Budget Credits</b>				
Reimbursements Over Amount Budgeted			\$ 98,082	
State Aid Reimbursements Over Amount Budgeted			15,300	
<b>Total</b>			<b>\$ 113,382</b>	

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Supplemental General Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 1,869,342	1,900,441	1,910,217	(9,776)
Delinquent Tax	8,693	13,056	6,119	6,937
Motor Vehicle Tax	151,294	141,013	135,565	5,448
Recreational Vehicle Tax	2,084	2,076	1,703	373
Intergovernmental Revenues				
Equalization Aid	117,685	-	-	-
<b>Total Receipts</b>	<u>2,149,098</u>	<u>2,056,586</u>	<u>2,053,604</u>	<u>2,982</u>
<b>Expenditures</b>				
Instruction	141,120	121,980	100,779	21,201
Student Support Services	105,521	97,678	105,159	(7,481)
Instructional Support Services	197,128	173,368	160,939	12,429
Operations and Maintenance	433,714	464,633	434,496	30,137
General Administration	29,504	34,140	23,800	10,340
School Administration	415,283	353,484	416,569	(63,085)
Student Transportation Services	52,787	55,900	52,504	3,396
Transfers Out	674,034	747,372	836,497	(89,125)
Adjustment to Comply With Legal Max	-	-	(82,188)	82,188
<b>Total Expenditures and Legal</b>				
<b>Supplemental General Fund Budget</b>	<u>2,049,091</u>	<u>2,048,555</u>	<u>2,048,555</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	100,007	8,031		
<b>Unencumbered Cash - Beginning</b>	165,841	265,866		
<b>Prior Year Cancelled Encumbrances</b>	<u>18</u>	<u>-</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 265,866</u>	<u>273,897</u>		



**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Capital Outlay Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 583,306	531,319	501,145	30,174
Delinquent Tax	2,509	3,919	1,909	2,010
Motor Vehicle Tax	44,560	44,996	43,317	1,679
Recreational Vehicle Tax	628	660	544	116
Interest on Idle Funds	7,389	5,552	7,389	(1,837)
Other Revenue	11,818	7,517	11,847	(4,330)
<b>Total Receipts</b>	<u>650,210</u>	<u>593,963</u>	<u>566,151</u>	<u>27,812</u>
<b>Expenditures</b>				
Central Services	128,123	267,501	215,800	51,701
Student Transportation Services	73,575	-	95,000	(95,000)
Operations and Maintenance	132,097	148,759	55,000	93,759
Lease Payment	30,000	30,000	30,000	-
Facility Acquisition and Construction	229,543	147,078	197,538	(50,460)
<b>Total Expenditures</b>	<u>593,338</u>	<u>593,338</u>	<u>593,338</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	56,872	625		
<b>Unencumbered Cash - Beginning</b>	<u>276,610</u>	<u>333,482</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 333,482</u>	<u>334,107</u>		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Bilingual Education Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Transfers In	\$ 133,504	152,632	182,000	(29,368)
<b>Expenditures</b>				
Instruction	157,504	152,632	181,287	(28,655)
<b>Receipts Over (Under) Expenditures</b>	(24,000)	-		
<b>Unencumbered Cash - Beginning</b>	24,000	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Driver Training Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ -	-	4,025	(4,025)
Other Revenue From Local Sources	7,590	11,652	7,590	4,062
<b>Total Receipts</b>	7,590	11,652	11,615	37
<b>Expenditures</b>				
Instruction	8,306	9,553	9,553	-
<b>Receipts Over (Under) Expenditures</b>	(716)	2,099		
<b>Unencumbered Cash - Beginning</b>	16,022	15,306		
<b>Unencumbered Cash - Ending</b>	\$ 15,306	17,405		

## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

## Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 5,060	5,230	4,356	874
Federal Aid	245,830	255,279	232,408	22,871
Federal Aid - Fruits and Vegetables Grai	25,734	-	-	-
Charges for Services	186,122	196,448	173,841	22,607
Miscellaneous	13,939	15,180	13,962	1,218
Transfers In	-	47,306	132,710	(85,404)
<b>Total Receipts</b>	476,685	519,443	557,277	(37,834)
<b>Expenditures</b>				
Operations and Maintenance	24,253	26,790	29,508	(2,718)
Food Service Operation	585,014	548,929	584,045	(35,116)
<b>Total Expenditures</b>	609,267	575,719	613,553	(37,834)
<b>Receipts Over (Under) Expenditures</b>	(132,582)	(56,276)		
<b>Unencumbered Cash - Beginning</b>	188,858	56,276		
<b>Unencumbered Cash - Ending</b>	\$ 56,276	-		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Professional Development Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Transfers In	\$ 318	4,800	5,533	(733)
<b>Expenditures</b>				
Instructional Support Services	40,832	26,939	30,000	(3,061)
<b>Receipts Over (Under) Expenditures</b>	(40,514)	(22,139)		
<b>Unencumbered Cash - Beginning</b>	64,983	24,469		
<b>Unencumbered Cash - Ending</b>	\$ 24,469	2,330		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Parent Education Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Transfers In	\$ -	13,500	13,500	-
<b>Expenditures</b>				
Student Support Services	13,500	13,500	13,500	-
<b>Receipts Over (Under) Expenditures</b>	(13,500)	-		
<b>Unencumbered Cash - Beginning</b>	13,500	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Special Education Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Revenue From Local Sources	\$ 3,489	<b>3,840</b>	3,489	351
Transfers In	478,372	<b>697,496</b>	695,253	2,243
<b>Total Receipts</b>	481,861	<b>701,336</b>	<u>698,742</u>	<u>2,594</u>
<b>Expenditures</b>				
Instruction	682,446	<b>730,295</b>	724,289	6,006
Student Support Services	103	<b>544</b>	6,550	(6,006)
<b>Total Expenditures</b>	682,549	<b>730,839</b>	<u>730,839</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	(200,688)	<b>(29,503)</b>		
<b>Unencumbered Cash - Beginning</b>	232,784	<b>32,096</b>		
<b>Unencumbered Cash - Ending</b>	\$ 32,096	<b>2,593</b>		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Vocational Education Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Miscellaneous	\$ 625	898	625	273
Transfers In	188,202	223,018	225,326	(2,308)
<b>Total Receipts</b>	188,827	223,916	225,951	(2,035)
<b>Expenditures</b>				
Instruction	198,866	202,135	202,831	(696)
Student Support Services	22,370	19,639	17,585	2,054
Instructional Support Staff	3,517	2,142	3,500	(1,358)
<b>Total Expenditures</b>	224,753	223,916	223,916	-
<b>Receipts Over (Under) Expenditures</b>	(35,926)	-		
<b>Unencumbered Cash - Beginning</b>	35,926	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		



## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

## KPERS Retirement Special Contribution Fund

## Schedule of Receipts and Expenditures - Actual and Budget

## Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ 513,480	555,173	595,637	(40,464)
<b>Expenditures</b>				
Instruction	350,006	381,607	405,986	(24,379)
Student Support Services	9,155	10,232	10,602	(370)
Instructional Support	15,578	13,787	18,048	(4,261)
General Administration	21,481	22,495	24,898	(2,403)
School Administration	42,396	44,502	49,140	(4,638)
Operations and Maintenance	47,923	51,099	55,573	(4,474)
Student Transportation Services	11,853	14,322	13,699	623
Food Service	15,088	17,129	17,691	(562)
<b>Total Expenditures</b>	513,480	555,173	595,637	(40,464)
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Contingency Reserve Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ -	-
<b>Expenditures</b>	<u>28,382</u>	<u>293,669</u>
<b>Receipts Over (Under) Expenditures</b>	(28,382)	(293,669)
<b>Unencumbered Cash - Beginning</b>	<u>505,909</u>	<u>477,527</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 477,527</u>	<u>183,858</u>

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Textbook Rental Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Other Income	\$ 43,124	44,614
<b>Expenditures</b>		
Textbooks	28,224	42,329
<b>Receipts Over (Under) Expenditures</b>	14,900	2,285
<b>Unencumbered Cash - Beginning</b>	59,054	73,954
<b>Unencumbered Cash - Ending</b>	\$ 73,954	76,239

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**At Risk (4 Year Old) Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Transfers In	\$ 71,959	<b>82,915</b>	<u>83,379</u>	<u>(464)</u>
<b>Expenditures</b>				
Instruction	<u>81,959</u>	<b>82,915</b>	<u>83,379</u>	<u>(464)</u>
<b>Receipts Over (Under) Expenditures</b>	(10,000)	-		
<b>Unencumbered Cash - Beginning</b>	<u>10,000</u>	-		
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u>-</u>		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**At Risk (K-12) Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Transfers In	\$ 654,288	632,666	670,298	(37,632)
<b>Expenditures</b>				
Instruction	654,288	632,666	670,298	(37,632)
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Virtual Education Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Transfers In	\$ 103,416	56,419	130,000	(73,581)
<b>Expenditures</b>				
Other Supplemental Services	113,605	56,419	130,000	(73,581)
<b>Receipts Over (Under) Expenditures</b>	(10,189)	-		
<b>Unencumbered Cash - Beginning</b>	10,189	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Title I Low Income Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 146,212	131,591
<b>Expenditures</b>		
Instruction	146,212	131,591
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Title II D ARRA Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid	\$ 2,987	-
<b>Expenditures</b>		
Student Assistance Program	-	-
<b>Receipts Over (Under) Expenditures</b>	2,987	-
<b>Unencumbered Cash - Beginning</b>	(2,987)	-
<b>Unencumbered Cash - Ending</b>	\$ -	-



**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Title III - Technology Literacy Challenge Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 17,001	-
<b>Expenditures</b>		
Instruction	17,001	-
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Title III - English Language**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ -	17,014
<b>Expenditures</b>		
Instruction	-	17,014
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Title II - Improving Teacher Quality Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 32,086	30,570
<b>Expenditures</b>		
Instruction	32,086	30,570
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**21st Century Community Learning Centers Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 70,000	-
Charges for Services	27,595	24,225
<b>Total Receipts</b>	97,595	24,225
<b>Expenditures</b>		
Instruction	97,873	19,903
Student Support Services	55,059	224
<b>Total Expenditures</b>	152,932	20,127
<b>Receipts Over (Under) Expenditures</b>	(55,337)	4,098
<b>Unencumbered Cash - Beginning</b>	55,337	-
<b>Unencumbered Cash - Ending</b>	\$ -	4,098

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**After School Adventures Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Charges for Services	\$ 2,203	474
<b>Expenditures</b>		
Instruction	2,063	780
<b>Receipts Over (Under) Expenditures</b>	140	(306)
<b>Unencumbered Cash - Beginning</b>	1,894	2,034
<b>Unencumbered Cash - Ending</b>	\$ 2,034	1,728

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Migrant Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 75,000	71,280
<b>Expenditures</b>		
Instruction	75,000	71,280
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Gifts and Grants Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2014

(With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ 2,139	<b>2,975</b>	-	2,975
Grants	4,943	<b>10,000</b>	-	10,000
Donations	1,705	<b>2,198</b>	-	2,198
Local Revenue	<u>29,257</u>	<u><b>3,629</b></u>	<u>50,000</u>	<u>(46,371)</u>
<b>Total Receipts</b>	38,044	<b>18,802</b>	<u><u>50,000</u></u>	<u><u>(31,198)</u></u>
<b>Expenditures</b>				
Support Services	<u>34,231</u>	<u><b>25,347</b></u>	<u><u>56,545</u></u>	<u><u>(31,198)</u></u>
<b>Receipts Over (Under) Expenditures</b>	3,813	<b>(6,545)</b>		
<b>Unencumbered Cash - Beginning</b>	<u>2,732</u>	<u><b>6,545</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u><u>6,545</u></u>	<u><u>-</u></u>		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Recreation Commission Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 194,480	177,178	166,977	10,201
Delinquent Tax	872	1,263	636	627
Motor Vehicle Tax	14,845	14,998	14,438	560
Recreational Vehicle Tax	209	219	181	38
<b>Total Receipts</b>	210,406	193,658	182,232	11,426
<b>Expenditures</b>				
Community Service Operations	205,000	196,000	196,000	-
<b>Receipts Over (Under) Expenditures</b>	5,406	(2,342)		
<b>Unencumbered Cash - Beginning</b>	11,535	16,941		
<b>Unencumbered Cash - Ending</b>	\$ 16,941	14,599		



**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Recreation Commission Employee Benefits Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 24,428	43,745	20,875	22,870
Delinquent Tax	(17)	198	79	119
Motor Vehicle Tax	1,855	1,873	1,803	70
Recreational Vehicle Tax	26	28	22	6
<b>Total Receipts</b>	26,292	45,844	22,779	23,065
<b>Expenditures</b>				
Community Service Operations	25,700	24,600	24,600	-
<b>Receipts Over (Under) Expenditures</b>	592	21,244		
<b>Unencumbered Cash - Beginning</b>	1,640	2,232		
<b>Unencumbered Cash - Ending</b>	\$ 2,232	23,476		

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
**Bond and Interest Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2014  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2013)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 1,678,178	1,226,772	1,159,081	67,691
Delinquent Tax	6,697	4,109	5,494	(1,385)
Motor Vehicle Tax	114,024	124,363	119,418	4,945
Recreational Vehicle Tax	1,632	1,837	1,500	337
Excise and Redemption Tax	40	5,924	-	5,924
Bond Proceeds	1,650,000	-	-	-
Bond Premiums	36,631	-	-	-
Interest on Idle Funds	2,603	3,455	2,600	855
Miscellaneous Revenue	1,804	-	1,804	(1,804)
<b>Total Receipts</b>	<b>3,491,609</b>	<b>1,366,460</b>	<b>1,289,897</b>	<b>76,563</b>
<b>Expenditures</b>				
Underwriter's Discount	16,500	-	-	-
Bond Refinancing Expenditures	14,449	-	-	-
Principal	2,425,000	895,000	895,000	-
Interest	473,773	371,276	371,276	-
<b>Total Expenditures</b>	<b>2,929,722</b>	<b>1,266,276</b>	<b>1,266,276</b>	<b>-</b>
<b>Receipts Over (Under) Expenditures</b>	<b>561,887</b>	<b>100,184</b>		
<b>Unencumbered Cash - Beginning</b>	<b>1,689,342</b>	<b>2,251,229</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 2,251,229</b>	<b>2,351,413</b>		

## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

## Agency Funds

## Schedule of Receipts and Disbursements

## Regulatory Basis

For the Year Ended June 30, 2014

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>High School</b>				
Art Club	\$ 1,784	1,062	1,353	1,493
Band	5,992	30,842	28,904	7,930
Band Travel	6,028	639	6,667	-
Cheerleaders	3,228	24,618	23,622	4,224
Entrepreneurship	7,555	4,500	2,553	9,502
Summer School	920	1,413	950	1,383
Class of 2014	2,161	1,320	3,481	-
Class of 2015	50	16,396	14,023	2,423
Class of 2016	50	-	-	50
Class of 2017	81	135	81	135
PE Club	219	6,234	4,801	1,652
Dance Team	1	8,236	7,522	715
Faculty	165	705	675	195
FFA	10,823	41,817	47,339	5,301
Musical	53	5,302	3,866	1,489
Guitar	412	44	-	456
Harry Potter Alliance	-	389	387	2
Comp Tech	454	348	348	454
Media Productions	0	22,285	23,931	(1,646)
National Honor Society	946	1,000	774	1,172
NYC	0	8,511	8,511	-
HALO	1,741	818	953	1,606
FBLA	3,534	1,812	1,160	4,186
Science Club	5,327	5,122	8,691	1,758
Student Council	2,621	8,067	8,835	1,853
Vocal	3,956	23,867	23,945	3,878
Vocal Travel	1,004	17,354	18,251	107
Wood Skills Club	5,649	6,896	2,560	9,985
Weightlifting	968	10,144	2,060	9,052
<b>Total High School</b>	<b>65,722</b>	<b>249,876</b>	<b>246,243</b>	<b>69,355</b>
<b>Middle School</b>				
Band and Vocal	776	7,607	1,062	7,321
Cheerleading	1,287	7,278	8,093	472
Student Council	23,234	14,226	27,351	10,109
<b>Total Middle School</b>	<b>25,297</b>	<b>29,111</b>	<b>36,506</b>	<b>17,902</b>
<b>Elementary School</b>				
Music	258	73	-	331
AR	518	1,000	1,048	470
After School	13	-	-	13
Grants and Gifts	2,281	2,120	4,301	100
<b>Total Elementary School</b>	<b>\$ 3,070</b>	<b>3,193</b>	<b>5,349</b>	<b>914</b>

## UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS

## Agency Funds

## Summary of Receipts and Disbursements

## Regulatory Basis

For the Year Ended June 30, 2014

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	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
High School				
Alumni	\$ 8,590	-	546	8,044
<b>Total</b>	<b>\$ 102,679</b>	<b>282,180</b>	<b>288,644</b>	<b>96,215</b>

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UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS  
District Activity Funds  
Schedule of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2014

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>							
<b>High School</b>							
Athletics	\$ 63,235	-	166,278	154,292	75,221	-	75,221
<b>Middle School</b>							
Athletics	7,328	-	10,535	15,399	2,464	-	2,464
<b>Total Gate Receipts</b>	<u>70,563</u>	<u>-</u>	<u>176,813</u>	<u>169,691</u>	<u>77,685</u>	<u>-</u>	<u>77,685</u>
<b>School Projects</b>							
<b>High School</b>							
Academics	3,612	-	-	450	3,162	-	3,162
Auditorium	37	-	-	-	37	-	37
Activities Donations	4,416	-	6,962	10,486	892	-	892
FACS	1,069	-	3,995	4,525	539	-	539
History Account	420	-	-	100	320	-	320
Hyper Overtones	19	-	-	-	19	-	19
Hospitality	578	-	4,091	4,653	16	-	16
ID Cards	-	-	930	-	930	-	930
Library	1,602	-	489	482	1,609	-	1,609
Monsanto Grant	-	-	13,859	12,299	1,560	-	1,560
Ag Business	-	-	3,349	3,349	-	-	-
Scholar's Bowl	1,573	-	430	805	1,198	-	1,198
Speech/Debate	3,284	-	10,001	18,829	(5,544)	-	(5,544)
Yearbook	11,480	-	7,745	5,452	13,773	-	13,773
Electric Car	1,299	-	2,450	2,167	1,582	-	1,582
Agendas	381	-	1,990	1,969	402	-	402
Lock Rent	2,077	-	498	285	2,290	-	2,290
All School Play	3,255	-	987	1,264	2,978	-	2,978
<b>Total High School</b>	<u>35,102</u>	<u>-</u>	<u>57,776</u>	<u>67,115</u>	<u>25,763</u>	<u>-</u>	<u>25,763</u>
<b>Middle School</b>							
Yearbook	270	-	8,293	8,093	470	-	470
Library	282	-	168	37	413	-	413
Pop Fund	10	-	-	2	8	-	8
<b>Total Middle School</b>	<u>562</u>	<u>-</u>	<u>8,461</u>	<u>8,132</u>	<u>891</u>	<u>-</u>	<u>891</u>
<b>Elementary School</b>							
Account Contributions/Book Fair	10,589	-	11,297	11,041	10,845	-	10,845
Library	735	-	204	344	595	-	595
Yearbook	1,309	-	529	1,300	538	-	538
<b>Total Elementary School</b>	<u>12,633</u>	<u>-</u>	<u>12,030</u>	<u>12,685</u>	<u>11,978</u>	<u>-</u>	<u>11,978</u>
<b>Total School Projects</b>	<u>48,297</u>	<u>-</u>	<u>78,267</u>	<u>87,932</u>	<u>38,632</u>	<u>-</u>	<u>38,632</u>
<b>Total District Activity Funds</b>	\$ <u>118,860</u>	<u>-</u>	<u>255,080</u>	<u>257,623</u>	<u>116,317</u>	<u>-</u>	<u>116,317</u>

UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2013

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unqualified

Internal control over financial reporting

- |                                                         |                   |     |                   |    |
|---------------------------------------------------------|-------------------|-----|-------------------|----|
| • Material weakness identified?                         | <u>  X  </u>      | Yes | <u>          </u> | No |
| • Significant deficiency identified?                    | <u>  X  </u>      | Yes | <u>          </u> | No |
| • Noncompliance material to financial statements noted? | <u>          </u> | Yes | <u>    X    </u>  | No |

**FEDERAL AWARDS**

Internal control over major programs:

- |                                      |                   |     |                  |             |
|--------------------------------------|-------------------|-----|------------------|-------------|
| • Material weakness identified?      | <u>          </u> | Yes | <u>    X    </u> | No          |
| • Significant deficiency identified? | <u>          </u> | Yes | <u>    X    </u> | None report |

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*?            Yes     X     No

Identification of major programs:

CFDA Number	Name of Federal Program
84.010	Title I Low Income
Child Nutrition Cluster	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk Program for Children
10.559	Summer Food Service Program for Children

Dollar threshold used to distinguish between Type A and Type B programs:     \$    300,000    

Auditee qualified as low-risk auditee?            Yes     X     No

UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**A. Material Weakness in Internal Control**

**2014-001**

Criteria or specific requirement

Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition

Proper segregation of duties does not exist in the accounting system.

Context

During testing procedures we noted that the District lacked proper segregation of duties because of lack of staff in the office.

Effect

Management may not become aware of the problems or irregularities within a timely manner.

Cause

The District is unable to hire additional personnel due to its size.

Recommendation

Procedures should be established and implemented where the District implements segregation of duties in the receipts and expenditures cycles and implements additional internal controls.

View of responsible officials and planned corrective actions

The District is aware that employees have incompatible duties; however, due to the size of the District, it would not be feasible to hire additional personnel.

**B. Significant Deficiency in Internal Control**

**2014-002**

Criteria or specific requirement

Expenditures should be estimated at year end or, if known, recorded prior to closing the books at the end of the year.

Condition

Proper understanding or accounting for encumbrances is not being done.

Context

During review of encumbrances it was noted there were several material expenditures paid after year end that were not properly included as encumbrances at June 30, 2014.

Effect

Expenditures were materially understated at year end because some encumbrances were not included.

Cause

The District does not have an understanding of the encumbrance process.

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

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**Recommendation**

We recommend expenditures are estimated at year end or, if known, recorded prior to closing the books at the end of the year. For items that are unknown at year end and discovered after the books have been closed, we recommend that the Treasurer track these additional encumbrances and communicate this to us.

**Views of responsible officials and planned corrective actions**

The District will review for possible encumbrances before year end and record any that need to be.

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No material findings or questioned costs are required to be disclosed under OMB Circular A-133.



**Unified School District No. 466 Scott City, Kansas**  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2014

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No material findings or questioned costs for the year ended June 30, 2013 are required to be disclosed under OMB Circular A-133.

**UNIFIED SCHOOL DISTRICT NO. 466 SCOTT CITY, KANSAS**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2013

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Passed Through Kansas State Department of Education			
<b>Child Nutrition Cluster</b>			
School Breakfast Program	10.553	N/A	\$ 29,894
National School Lunch Program	10.555	N/A	218,233
Special Milk Program for Children	10.556	N/A	1,177
Summer Food Service Program for Children	10.559	N/A	<u>5,975</u>
<b>Total Child Nutrition Cluster</b>			<u>255,279</u>
<b>U.S. Department of Education</b>			
Passed Through Kansas State Department of Education			
<b>Title I, Part A Cluster</b>			
Title I Grants to Local Educational Agencies	84.010	N/A	131,591
Migrant Education - State Grant Program	84.011	N/A	71,280
English Language Acquisition State Grants	84.365	N/A	17,014
Improving Teacher Quality State Grants	84.367	N/A	<u>30,570</u>
<b>Total U.S. Department of Education</b>			<u>250,455</u>
<b>U.S. Department of Health and Human Services</b>			
Passed Through Kansas State Department of Education			
Medical Assistance Program	93.778	N/A	<u>7,517</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>513,251</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**UNIFIED SCHOOL DISTRICT NO. 466, SCOTT CITY, KANSAS**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2014

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 466 Scott City, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

**Unified School District No. 466 Scott City, Kansas**

Page 2

December 15, 2014

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 15, 2014.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statement or a determination of the type of auditors' opinion that may be expressed on that statement, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

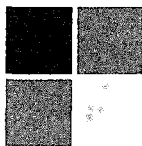
*Other Matters*

With respect to the supplementary information accompanying the financial statement, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statement. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statement or to the financial statement itself.

*Audit Recommendations*

We wish to communicate to the governing body recommendations that we discussed with management to improve operational or administrative efficiencies and for improving internal control.

- We recommend the high school Principal signs off on the bank reconciliations to document a review has occurred. Although the principal reviews the reconciliations, the signoff is not always occurring.
- We recommend that middle school activity funds purchase orders are cancelled by documenting the check number that the PO is paid with on the purchase order. This will help insure that purchase orders are paid and only paid once.
- All payments to District employees need to be ran through payroll. When a District employee serves as a referee, the payment should be ran through the District's payroll. The Internal Revenue Service looks at this as the employer/employee relationship has been established; therefore, the extra items are considered payroll.
- We recommend that the high school activity funds bank reconciliations are completed in the accounting software to help ensure reports generated by the software are accurate. Using the computer reconciliation will also reduce the risk of manual error or miscalculations.



Certified  
Public  
Accountants

December 15, 2014

To the Board of Education  
**Unified School District No. 466 Scott City, Kansas**  
Scott City, Kansas

### **Governance Letter**

We have audited the primary government financial statement of **Unified School District No. 466 Scott City, Kansas** for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 11, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by **Unified School District No. 466 Scott City, Kansas** are described in Note 1 to the financial statement. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2014. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statement or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

**Unified School District No. 466 Scott City, Kansas**

Page 3

December 15, 2014

- We recommend the District close old class funds that have no activity. These funds should be used for District purposes, such as going to another similar student/athletic fund or into the general fund.
- During the single audit procedures for the Child Nutrition Cluster, we noted a question was not answered on the Scott City Elementary on-site accountability review. We recommend that a second person review and sign these reports once completed by the Food Service Director. This would ensure reviews were being completed fully and correctly.
- We recommend that the board review credit card limits annually to ensure the limits are appropriate. Appropriate credit card limits can help prevent fraud or misappropriations.

We will review the status of these items during our next audit engagement. We have already discussed many of these items and suggestions with the appropriate personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This information is intended solely for the use of the Board of Education and management of **Unified School District No. 466 Scott City, Kansas** and is not intended to be, and should not be, used by anyone other than these specified parties.

*Adams Brown, Beran & Ball, Chtd.*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants